

## Message Text

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53

ACTION EB-07

INFO OCT-01 AF-06 EUR-12 NEA-10 IO-10 ISO-00 SP-02 AID-05

NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03

H-02 PA-01 PRS-01 USIA-06 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 TAR-01

INT-05 /119 W

----- 081096

R 181012Z JUN 75

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 2088

INFO AMEMBASSY BLANTYRE

AMCONSUL CAPE TOWN

AMEMBASSY COLOMBO

AMCONSUL DURBAN

AMEMBASSY GABORONE

AMCONSUL JOHANNESBURG

AMEMBASSY LONDON

AMEMBASSY MASERU

AMEMBASSY MBABANE

USMISSION GENEVA

USDEL MTN GENEVA

AMEMBASSY PORT LOUIS

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CAPE TOWN ALSO FOR EMBASSY

E.O. 11652: N/A

TAGS: ETRD, SF

SUBJ: US GENERALIZED SYSTEM OF PREFERENCES (GSP) AND  
COMMONWEALTH PREFERENCE ISSUE

1. SOUTH AFRICA IS IN A CUSTOMS UNION WITH BOTSWANA, LESOTHO AND  
SWAZILAND. ITS PRODUCTS ENTER THOSE COUNTRIES DUTY FREE. THE

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UNION HAS NEVER BEEN BLESSED BY (OR PRESENTED TO) GATT BUT DATES

FROM 1910 AND AS FAR AS WE KNOW HAS NEVER BEEN QUESTIONED IN GATT AND WOULD PROBABLY IN ANY CASE MEET GATT CRITERIA FOR CUSTOMS UNIONS. WE ASSUME THAT DEPARTMENT DOES NOT INTEND TO CONSIDER SUCH TRADING RELATIONS AS REVERSE PREFERENCES GRANTED TO A DEVELOPED COUNTRY BY A LESS DEVELOPED COUNTRY.

2. SOUTH AFRICA HAS A TRADE AGREEMENT WITH MALAWI DATED 3/13/67 AND ONE WITH RHODESIA DATED 11/30/64. WE ARE SENDING COPIES OF THESE AGREEMENTS TO THE DEPARTMENT (AF/S).

3. THE MALAWI AGREEMENT IS FAIRLY SIMPLE AS REGARDS MALAWIAN TARIFFS ON SA GOODS. ARTICLE 6 STATES THAT "GOODS GROWN, PRODUCED OR MANUFACTURED IN SA SHALL, ON IMPORTATION INTO MALAWI, BE SUBJECT TO THE IMMEDIATE RATE." THAT RATE IS DEFINED AS THE RATE IN COLUMN 5 OF PART III OF THE CUSTOMS TARIFF OF MALAWI. WE PRESUME THAT MALAWI CUSTOMS TARIFF IS AVAILABLE IN COM/BIC/OIM/AF OR FROM EMBASSY BLANTYRE.

4. THE RHODESIAN AGREEMENT IS MORE COMPLICATED. IT PROVIDES FOR MOST SA GOODS TO ENTER RHODESIA AT THE RATES SHOWN IN COLUMN C OF PART II OF THE CUSTOMS TARIFF OF RHODESIA. CERTAIN SPECIFIED GOODS ENTER AT COLUMN D RATES OR AT COLUMN C RATES REBATED TO A SPECIFIED EXTENT, AS SPELLED OUT IN ANNEXURE C OF THE AGREEMENT. WE DO NOT HAVE THE RHODESIAN CUSTOMS TARIFF BUT HAVE BEEN TOLD THAT COLUMN C IS PREFERENTIAL AND COLUMN D IS MORE PREFERENTIAL. IF DEPARTMENT WISHES WE CAN PROBABLY OBTAIN RHODESIAN CUSTOMS TARIFF BY WRITING TO GOVERNMENT PRINTER IN SALISBURY BUT WE WONDER IF THIS IS NECESSARY OR ADVISABLE IN VIEW OF THE SPECIAL CIRCUMSTANCES OF THE RHODESIAN CASE. THE US WILL CLEARLY BE UNABLE TO INFLUENCE RHODESIAN TRADE POLICY WHILE THE PRESENT CONSTITUTIONAL IMPASSE PERSISTS.

5. SA DEPARTMENT OF COMMERCE TELLS US THAT THERE MAY BE SOME OTHER COMMONWEALTH COUNTRIES WHOSE TARIFF SCHEDULES STILL SHOW CERTAIN PREFERENCES FOR SOUTH AFRICA BUT EXCEPT FOR SRI LANKA (SEE SEPTEL), THESE COUNTRIES HAVE NO OBLIGATION TO MAINTAIN THESE PREFERENCES. IN MOST CASES THE PREFERENCES ARE ACADEMIC SINCE THE COUNTRIES CONCERNED BOYCOTT (OR CLAIM TO BOYCOTT) SOUTH AFRICA. SAG MAKES NO ATTEMPT TO KEEP TRACK OF THESE PREFERENCES AND RECEIVES "AT MOST ONE INQUIRY A YEAR" FROM LIMITED OFFICIAL USE

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SOUTH AFRICAN EXPORTERS ABOUT TARIFFS IN COMMONWEALTH COUNTRIES OTHER THAN MALAWI AND RHODESIA. TRADE DOES TAKE PLACE WITH SOME OF THESE COUNTRIES BUT SAG HAS NO REPRESENTATION IN THEM AND IS NOT INFORMED ABOUT THEIR CURRENT TARIFF STRUCTURE, ALTHOUGH SAG HAS TOLD US THAT IT BELIEVES PREFERENTIAL TARIFFS ARE STILL BEING APPLIED TO SOME ITEMS BY MAURITIUS. (POSSIBLY EMBASSY PORT LOUIS CAN CONFIRM.)  
BOWDLER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DUTY FREE ENTRY, GENERALIZED PREFERENCES (TARIFFS), COMMONWEALTH, TRADE AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** RowellE0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975PRETOR02218  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750212-0308  
**From:** PRETORIA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750638/aaaabioa.tel  
**Line Count:** 115  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** RowellE0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JUN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 JUN 2003 by BoyleJA>; APPROVED <04 NOV 2003 by RowellE0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** US GENERALIZED SYSTEM OF PREFERENCES (GSP) AND COMMONWEALTH PREFERENCE ISSUE  
**TAGS:** ETRD, SF  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006